

Senate File 2340 - Introduced

SENATE FILE 2340

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3201)

A BILL FOR

- 1 An Act modifying provisions applicable to the solar energy
- 2 system tax credit, and including effective date and
- 3 retroactive applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.11L, subsection 1, paragraphs a and
2 b, Code 2014, are amended to read as follows:

3 a. Fifty Sixty percent of the federal residential energy
4 efficient property credit related to solar energy provided in
5 section 25D of the Internal Revenue Code, not to exceed ~~three~~
6 five thousand dollars.

7 b. Fifty Sixty percent of the federal energy credit related
8 to solar energy systems provided in section 48 of the Internal
9 Revenue Code, not to exceed ~~fifteen~~ twenty thousand dollars.

10 Sec. 2. Section 422.11L, subsection 3, Code 2014, is amended
11 by adding the following new paragraphs:

12 NEW PARAGRAPH. c. A taxpayer may claim more than one
13 credit under this section, but may claim only one credit per
14 separate and distinct solar installation. The department shall
15 establish criteria, by rule, for determining what constitutes a
16 separate and distinct installation.

17 NEW PARAGRAPH. d. A taxpayer must submit an application
18 to the department for each separate and distinct solar
19 installation. The application must be approved by the
20 department in order to claim the tax credit. The application
21 must be filed by May 1 following the year of the installation
22 of the solar energy system.

23 Sec. 3. Section 422.11L, subsection 4, Code 2014, is amended
24 to read as follows:

25 4. a. The cumulative value of tax credits claimed annually
26 by applicants pursuant to this section shall not exceed ~~one~~
27 four million five hundred thousand dollars.

28 b. If an amount of tax credits available for a tax year
29 pursuant to paragraph "a" goes unclaimed, the amount of the
30 unclaimed tax credits shall be made available for the following
31 tax year in addition to, and cumulated with, the amount
32 available pursuant to paragraph "a" for the following tax year.

33 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
34 immediate importance, takes effect upon enactment.

35 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies

1 retroactively to January 1, 2014, for tax years beginning and
2 installations occurring on or after that date.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 This bill relates to the solar energy system individual and
7 corporate income tax credit.

8 Currently, the tax credit is equal to the sum of 50 percent
9 of the federal residential energy efficient property credit
10 related to solar energy provided in section 25D of the Internal
11 Revenue Code, not to exceed \$3,000, and 50 percent of the
12 federal energy credit related to solar energy systems provided
13 in section 48 of the Internal Revenue Code, not to exceed
14 \$15,000. The bill increases these amounts to 60 percent of the
15 federal residential energy efficient property credit related
16 to solar energy, not to exceed \$5,000, and 60 percent of the
17 federal energy credit related to solar energy systems, not to
18 exceed \$20,000.

19 Additionally, currently the cumulative value of solar energy
20 system income tax credits able to be claimed annually cannot
21 exceed \$1.5 million. The bill increases this cumulative amount
22 to \$4.5 million annually, and provides that if not all of the
23 tax credits available for a tax year are claimed, the amount
24 of the unclaimed tax credits shall be made available for the
25 following tax year in addition to, and cumulated with, the
26 amount otherwise allocated for the following tax year.

27 Additionally, the bill permits a taxpayer to claim more
28 than one credit provided the credit is being claimed for
29 separate and distinct solar installations. The bill directs
30 the department of revenue to establish criteria, by rule,
31 for determining what constitutes a separate and distinct
32 installation. A taxpayer is required to submit an application
33 for approval to the department for each installation.

34 The bill's provisions apply retroactively to January 1,
35 2014, for tax years beginning and installations occurring on

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1 or after that date.